

**CITY OF WAURIKA, OKLAHOMA  
WAURIKA, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS  
AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

**The City of Waurika, Oklahoma**  
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**Year Ended June 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Waurika, Oklahoma

### **Opinion**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waurika, Oklahoma as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Waurika, Oklahoma's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waurika, Oklahoma, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Waurika, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Waurika, Oklahoma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Waurika, Oklahoma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Waurika, Oklahoma's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-10, 37, and 39-43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023, on our consideration of the City of Waurika, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Waurika, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Waurika, Oklahoma's internal control over financial reporting and compliance.

*Foresight Advisory & Consulting, PLLC*

Foresight Advisory & Consulting, PLLC

Oklahoma City, Oklahoma

February 13, 2023

Our discussion and analysis of the City of Waurika's ("City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. The City's performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. This discussion focuses on the City's primary government, and unless otherwise noted, component units reported separately from the primary government are not included. Please read it in conjunction with the City's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- At June 30, 2022, the assets of the City exceeded its liabilities by \$4,147,899 (net position) compared to \$3,564,250 in the prior year. The City's total net position is comprised of the following:
  - (1) Invested in capital assets, net of related debt of \$2,419,066 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of construction of capital assets.
  - (2) Restricted net position of \$392,611 which consist mainly of bond funds and restricted investment accounts related to the outstanding debt held by the City.
  - (3) Unrestricted net position of \$1,336,222 may be used to meet the City's ongoing obligations to citizens and creditors.
- After transfers of \$310 to business-type activities from governmental activities, net position of governmental activities increased \$171,592 or 12%, and net position of business-type activities increased \$412,057 or 19%.

## OVERVIEW OF THE FINANCIAL STATEMENTS

*Management's Discussion and Analysis* introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

### ***Government-wide Financial Statements***

The City's annual reporting includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Position*. This is the City-wide statement of financial position presenting information that includes all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indication of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other financial factors such as diversification of the taxpayer base or the condition of the City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinctively report governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government; public safety and judiciary; transportation; and cultural, parks, and recreation. Business-types activities include utility services, including water, sewer, and sanitation, provided by the City.

The City's financial reporting entity includes the funds of the City (primary government) and organizations for which the City is accountable (component units). The Waurika Public Works Authority and Waurika Development Trust are separate legal entities which operate independently and provide services directly to the citizens though the City remains accountable for their actions. As such, the Waurika Public Works Authority and the Waurika Development Trust are reported separately from the primary government though included in the City's overall reporting entity. More comprehensive information about the City's component units can be found in footnotes.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole.

The City has two kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements reporting short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statement is included in the basic financial statement for governmental funds deemed as major. This statement demonstrates compliance with the City's adopted and final revised budget.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City has one type of proprietary fund, enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as water, sanitation, and sewer utilities.

Proprietary fund statements and statements for discretely presented component units (reporting similarly to proprietary funds) provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail.

### ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. Those notes to the financial statement begin immediately following the basic financial statements.

### ***Other information***

In addition to the basic financial statements and accompanying notes, this report presents certain *Required Supplementary Information* concerning the City's compliance with the approved and revised budget for major governmental funds.

## A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

### Net Position

The City's combined net position increased \$583,649 or 16% between fiscal years 2021 and 2022.

	Governmental Activities		Business-Type Activities		Totals		Change	
	2022	2021	2022	2021	2022	2021	\$	%
Current assets	\$ 498,396	\$ 306,300	\$ 1,818,884	\$ 1,796,501	\$ 2,317,280	\$ 2,102,801	\$ 214,479	10%
Pension assets	418,477	27,122	-	-	418,477	27,122	391,355	1443%
Capital assets, net	1,196,906	1,257,099	3,094,854	2,812,147	4,291,760	4,069,246	222,514	5%
<b>Total assets</b>	<b>2,113,779</b>	<b>1,590,521</b>	<b>4,913,738</b>	<b>4,608,648</b>	<b>7,027,517</b>	<b>6,199,169</b>	<b>828,348</b>	<b>13%</b>
Deferred outflows	124,108	141,629	-	-	124,108	141,629	(17,521)	-12%
Current liabilities	(103,897)	(150,168)	543,495	525,487	439,598	375,319	64,279	17%
Pension liabilities	22,589	33,529	-	-	22,589	33,529	(10,940)	-33%
Non-current liabilities	394,360	420,935	1,774,057	1,899,032	2,168,417	2,319,967	(151,550)	-7%
<b>Total liabilities</b>	<b>313,052</b>	<b>304,296</b>	<b>2,317,552</b>	<b>2,424,519</b>	<b>2,630,604</b>	<b>2,728,815</b>	<b>(98,211)</b>	<b>-4%</b>
Deferred inflows	373,122	47,733	-	-	373,122	47,733	325,389	682%
<b>Net assets</b>								
Invested in capital assets, net of related debt	1,166,190	818,735	1,252,876	849,111	2,419,066	1,667,846	751,220	45%
Restricted	273,935	96,136	118,676	182,856	392,611	278,992	113,619	41%
Unrestricted	111,588	465,250	1,224,634	1,152,162	1,336,222	1,617,412	(281,190)	-17%
<b>Total net position</b>	<b>\$ 1,551,713</b>	<b>\$ 1,380,121</b>	<b>\$ 2,596,186</b>	<b>\$ 2,184,129</b>	<b>\$ 4,147,899</b>	<b>\$ 3,564,250</b>	<b>\$ 583,649</b>	<b>16%</b>

The City reported positive balances in net position for both governmental and business-type activities. Total assets increased over prior year due to the addition of capital assets. Pension assets increased over \$390 thousand dollars providing a boost to the total assets of the City. The pension obligation is calculated annually by a third party actuary. The pension asset in this fiscal year is solely related to the Oklahoma Municipal Pension Plan. Total liabilities decreased 4% when compared to prior year due to regularly scheduled debt payments made during the year.

**Changes in Net Position**

For the year ended June 30, 2022, net position of the primary government changed as follows:

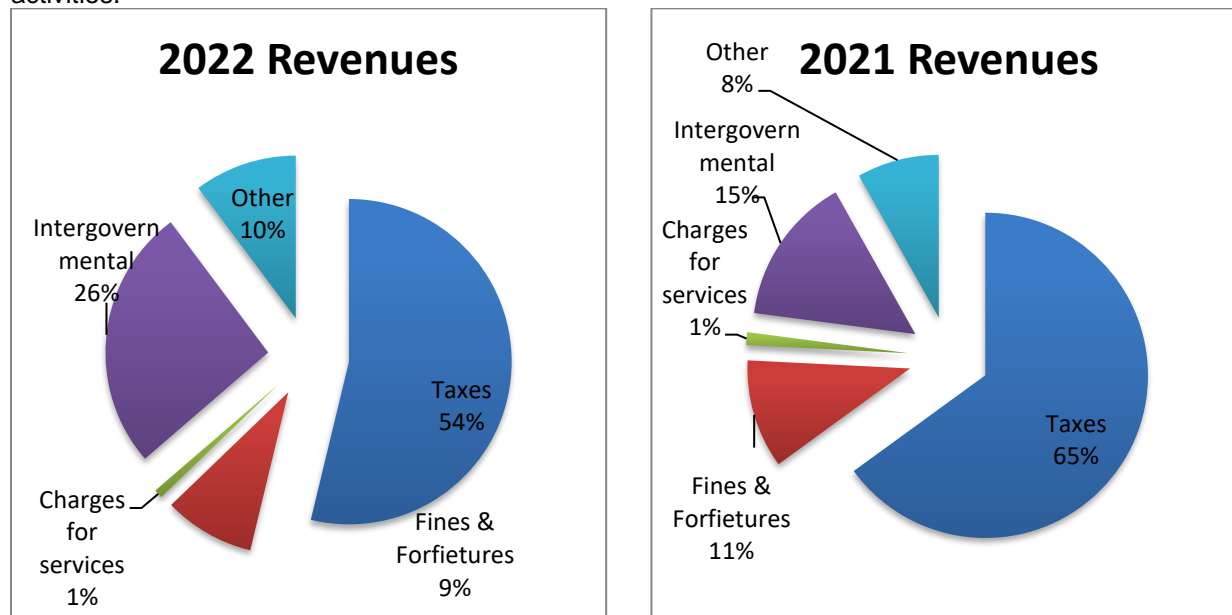
	Governmental Activities		Business-type Activities		Totals		Change	
	2022	2021	2022	2021	2022	2021	\$	%
<b>Revenues</b>								
Program revenues	\$ 519,060	\$ 365,077	\$ 1,705,215	\$ 1,571,241	\$ 2,224,275	\$ 1,936,318	\$ 287,957	15%
Taxes and other general revenues	859,159	757,658	1,218	1,517	860,377	759,175	101,202	13%
<b>Total revenues</b>	<b>1,378,219</b>	<b>1,122,735</b>	<b>1,706,433</b>	<b>1,572,758</b>	<b>3,084,652</b>	<b>2,695,493</b>	<b>389,159</b>	<b>14%</b>
<b>Expenses</b>								
General government	249,224	163,121	-	-	249,224	163,121	86,103	53%
Public safety and judiciary	533,854	463,409	-	-	533,854	463,409	70,445	15%
Transportation	312,838	252,797	-	-	312,838	252,797	60,041	24%
Cultural, parks, and recreation	111,021	120,347	-	-	111,021	120,347	(9,326)	-8%
Water	-	-	825,656	643,220	825,656	643,220	182,436	28%
Sewer	-	-	55,722	96,797	55,722	96,797	(41,075)	-42%
Sanitation	-	-	192,575	185,492	192,575	185,492	7,083	4%
Economic development	-	-	3,273	3,884	3,273	3,884	(611)	-16%
Customer service	-	-	216,840	250,574	216,840	250,574	(33,734)	-13%
<b>Total expenses</b>	<b>1,206,937</b>	<b>999,674</b>	<b>1,294,066</b>	<b>1,179,967</b>	<b>2,501,003</b>	<b>2,179,641</b>	<b>321,362</b>	<b>15%</b>
Excess (deficiency) before transfers	\$ 171,282	\$ 123,061	\$ 412,367	\$ 392,791	\$ 583,649	\$ 515,852	\$ 67,797	13%
Transfers	310	183,968	(310)	(183,968)	-	-	-	0%
<b>Increase (decrease) in net position</b>	<b>\$ 171,592</b>	<b>\$ 307,029</b>	<b>412,057</b>	<b>208,823</b>	<b>\$ 583,649</b>	<b>\$ 515,852</b>	<b>\$ 67,797</b>	<b>13%</b>

Total revenues for the City increased compared to fiscal year \$389 thousand or 14%. Program revenues for governmental funds were the driving factor for the increase due to the receipt of federal aid under the Coronavirus Aid, Relief, and Economic Security (CARES) Act related to the COVID-19 pandemic. The CARES funding was a reimbursement grant for public safety expenses incurred as a result of the pandemic.

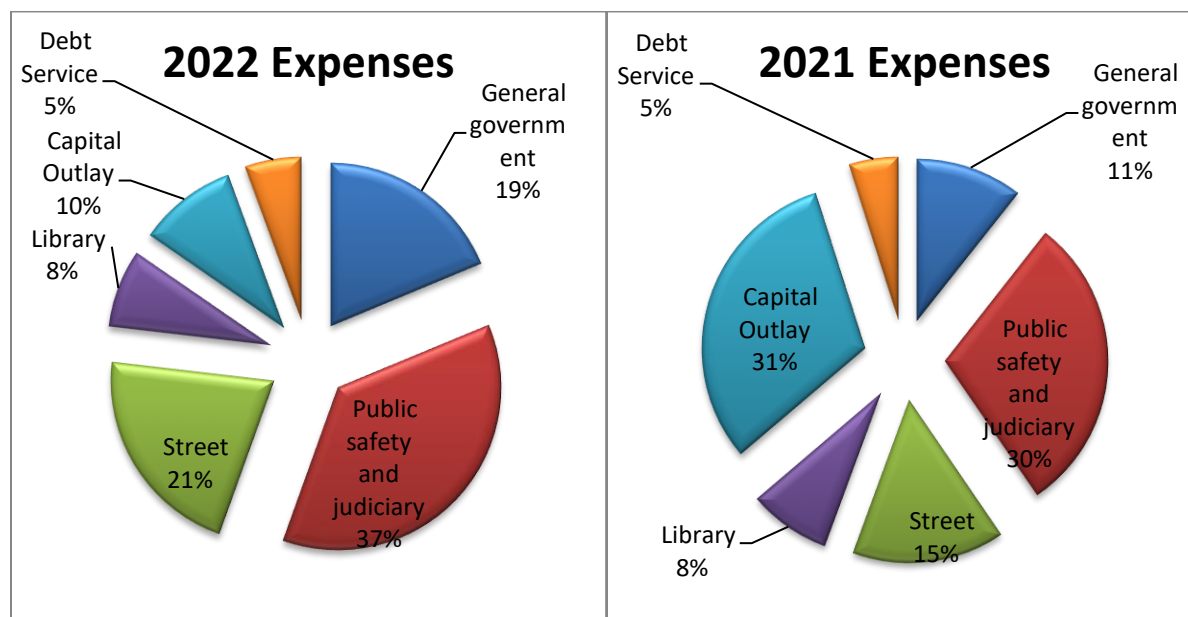
Total expenses increased 15% or \$321 thousand when compared to prior year. Water expenses noted the largest increase due to capital improvements and related depreciation.



Graphic presentations of selected data from the summary table follow to assist in the analysis of the City's activities.



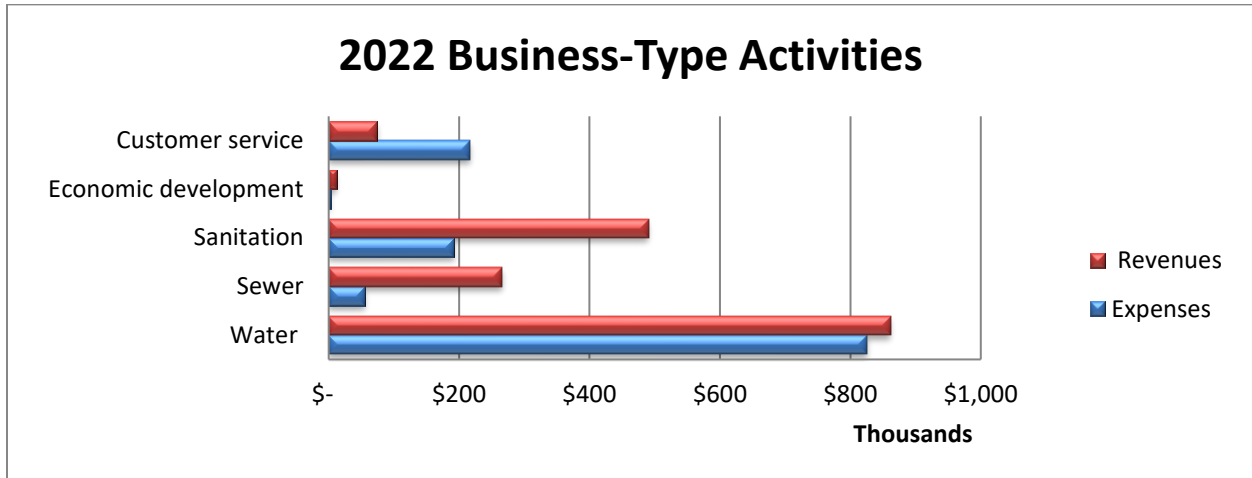
Taxes provided for 54% of the City's governmental revenues in fiscal year 2022 compared to 65% in fiscal year 2021. A shift in allocation of revenues is primarily due to intergovernmental revenues, which included federal funding thru CARES, as discussed above.



For the year ended June 30, 2022, total expenses for governmental activities amounted to \$1,195,092 compared to \$1,293,998 in prior year. Of this amount, public safety and judiciary with \$439,020, was the and street department were the largest operating service departments at 37% and 21%, respectively.

It should be noted that governmental expenses are adjusted from the fund statements to the government-wide statements for the purchase and construction of capital assets. Government-wide statement is full accrual; capital outlay expenses are eliminated and capital assets are reported.

**Business-type Activities**



Business-type activities are shown comparing costs to revenues generated by the related services. Sanitation, Sewer, and Water activities are intended to be self-supporting with user charges and other revenues designed to recover costs. Other activities provide services with minimal user charges.

For the fiscal year ended June 30, 2022, revenues from water, sewer, and sanitation services covered the cost of operating their respective departments.

**General Fund Budgetary Highlights**

The original adopted General Fund budget for fiscal year 2022 was \$1,364,359. The City passed amendments during the fiscal year decreasing the budget by \$86,411 for a final budget of \$1,277,948. Total expenditures for the City were \$1,116,399, which is \$161,549 less than the approved budget. The General Fund budget complied with financial policies approved by the City and the Oklahoma Municipal Budget Act.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2022, the City had \$2,419,066 invested in capital assets, net of accumulated depreciation, including vehicles and equipment for police and fire operations, street improvements, and park facilities, in governmental activities and water lines and sewer lines in business-type activities. Refer to the table below.

**Primary Government Capital Assets (net of accumulated depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and construction in process	\$ -	\$ 3,546	\$ 238,199	\$ 238,199	\$ 238,199	\$ 241,745
Buildings	12,585	14,183	-	-	12,585	14,183
Machinery & equipment	435,909	445,565	207,937	146,973	643,846	592,538
Utility property & improvements	748,412	793,805	2,648,718	2,426,975	3,397,130	3,220,780
<b>Totals</b>	<b>\$ 1,196,906</b>	<b>\$ 1,257,099</b>	<b>\$ 3,094,854</b>	<b>\$ 2,812,147</b>	<b>\$ 4,291,760</b>	<b>\$ 4,069,246</b>

**Long-Term Debt**

At year-end, the City had \$2,191,066 in long-term debt outstanding, detailed below.

**Primary Government Long-Term Debt**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Notes payable	\$ 59,193	\$ 45,486	\$ 1,841,978	\$ 1,963,036	\$ 1,901,171	\$ 2,008,522
Bonds payable	390,000	420,000	-	-	390,000	420,000.00
Pension liability	22,589	33,529	-	-	22,589	33,529
Meter deposit liability	-	-	93,461	87,247	93,461	87,247
subtotal	471,782	499,015	1,935,439	2,050,283	2,407,221	2,549,298
less current portion	(54,833)	(44,551)	(161,382)	(151,251)	(216,215)	(195,802)
<b>Totals</b>	<b>\$ 416,949</b>	<b>\$ 454,464</b>	<b>\$ 1,774,057</b>	<b>\$ 1,899,032</b>	<b>\$ 2,191,006</b>	<b>\$ 2,353,496</b>

## **ECONOMIC FACTORS AND NEXT YEARS'S BUDGET AND RATES**

According to the Oklahoma State University, Spears School of Business, *Economic Outlook 2022 Summer Update* "The state and national economies have recovered from the damage wrought by the COVID-19 pandemic. While income and output have long since risen above their pre-pandemic levels, in large part spurred by massive fiscal and monetary stimulus, state and national employment are just now returning to pre-pandemic levels. Yet, although the major economic aggregates have recovered, the economy has not fully returned to pre-pandemic form." The City has continued to be proactive in unknown changes resulting from the pandemic in the upcoming year as well as providing a strong foot forward in the future of this community.

### **Future Plans of the City**

The City has adopted a budget that will meet the continuing needs of the City.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at Waurika City Hall, 122 S. Main, Waurika, Oklahoma, 73573

**City of Waurika, Oklahoma**  
**Statement of Net Position**  
**June 30, 2022**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current Assets:			
Cash and cash equivalents	\$ 158,994	\$ 705,327	\$ 864,321
Investments	-	750,000	750,000
Due from other governments	60,571	-	60,571
Accounts receivable (net)	-	98,656	98,656
Note receivable	-	47,719	47,719
Fines receivable	1,293	-	1,293
Other assets	3,603	5,045	8,648
Total current assets	<u>224,461</u>	<u>1,606,747</u>	<u>1,831,208</u>
Restricted assets:			
Cash and cash equivalents	273,935	140,544	414,479
Investments	-	71,593	71,593
Total restricted assets	<u>273,935</u>	<u>212,137</u>	<u>486,072</u>
Noncurrent Assets:			
Pension asset	418,477	-	418,477
Land and construction in progress	3,546	244,199	247,745
Other capital assets (net of accumulated depreciation)	1,193,360	2,850,655	4,044,015
Total noncurrent assets	<u>1,615,383</u>	<u>3,094,854</u>	<u>4,710,237</u>
Total assets	<u>\$ 2,113,779</u>	<u>\$ 4,913,738</u>	<u>\$ 7,027,517</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred charges on pension obligations	<u>124,108</u>	<u>-</u>	<u>124,108</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 78,382	\$ 74,427	\$ 152,809
Payroll liabilities	44,123	16,230	60,353
Due from other funds	(281,377)	281,377	-
Accrued interest payable	142	10,079	10,221
Notes payable, current	24,833	161,382	186,215
Bonds payable, current	30,000	-	30,000
Total current liabilities	<u>(103,897)</u>	<u>543,495</u>	<u>439,598</u>
Noncurrent liabilities:			
Pension liability	22,589	-	22,589
Meter deposit liability	-	126,564	126,564
Notes payable, non-current	34,360	1,705,378	1,739,738
Bonds payable, non-current	360,000	-	360,000
Total noncurrent liabilities	<u>416,949</u>	<u>1,831,942</u>	<u>2,248,891</u>
Total liabilities	<u>313,052</u>	<u>2,375,437</u>	<u>2,688,489</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred charges on pension obligations	<u>373,122</u>	<u>-</u>	<u>373,122</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,166,190	1,228,094	2,394,284
Reserved for restricted purposes	273,935	85,573	359,508
Unrestricted	111,588	1,224,634	1,336,222
Total net position	<u>\$ 1,551,713</u>	<u>\$ 2,538,301</u>	<u>\$ 4,090,014</u>

**City of Waurika, Oklahoma**  
**Statement of Activities**  
**Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental activities:					
General government	\$ 249,224	\$ 11,538	\$ 164,613	\$ 185,350	\$ 112,277
Public safety and judiciary	533,854	126,050	19,544	-	(388,260)
Transportation	312,838	-	1,250	-	(311,588)
Cultural, parks and recreation	111,021	-	10,715	-	(100,306)
Total governmental activities	<u>1,206,937</u>	<u>137,588</u>	<u>196,122</u>	<u>185,350</u>	<u>(687,877)</u>
Business-type activities:					
Water	825,656	861,940	-	-	36,284
Sewer	55,722	265,914	-	-	210,192
Sanitation	192,575	490,389	-	-	297,814
Golf course	-	-	-	-	-
Economic development	3,273	12,513	-	-	9,240
Customer service	241,622	41,356	-	-	(200,266)
Total business-type activities	<u>1,318,848</u>	<u>1,672,112</u>	<u>-</u>	<u>-</u>	<u>353,264</u>
Total primary government	<u>\$ 2,525,785</u>	<u>\$ 1,809,700</u>	<u>\$ 196,122</u>	<u>\$ 185,350</u>	<u>\$ (334,613)</u>

**City of Waurika, Oklahoma**  
**Statement of Activities (continued)**  
**Year Ended June 30, 2022**

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**Changes in Net Position:**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Net (expense)/revenue	\$ (687,877)	\$ 353,264	\$ (334,613)
General revenues:			
Taxes:			
Sales tax	458,529	-	458,529
Use tax	116,866	-	116,866
Franchise tax	35,364	-	35,364
Other taxes	139,555	-	139,555
Investment income	254	1,218	1,472
Other income	49,206	-	49,206
Change in pension obligation	59,385	-	59,385
Transfers-Internal activity	310	(310)	-
Total general revenues and transfers	<u>859,469</u>	<u>908</u>	<u>860,377</u>
Change in net assets	171,592	354,172	525,764
Net position-beginning	1,380,121	2,184,129	3,564,250
Net position-ending	<u><u>\$ 1,551,713</u></u>	<u><u>\$ 2,538,301</u></u>	<u><u>\$ 4,090,014</u></u>

**City of Waurika, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 195,942	\$ 236,987	\$ 432,929
Due from other funds	330,481	243,144	573,625
Due from other governments	60,571	-	60,571
Accounts receivable	-	-	-
Fines receivable	1,293	-	1,293
Other assets	1,713	1,890	3,603
Total assets	<u>\$ 590,000</u>	<u>\$ 482,021</u>	<u>\$ 1,072,021</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 78,382	\$ -	\$ 78,382
Accrued payroll liabilities	44,123	-	44,123
Due to other funds	281,248	11,000	292,248
Accrued interest payable	142	-	142
Current portion of long term debt	-	-	-
Total liabilities	<u>403,895</u>	<u>11,000</u>	<u>414,895</u>
<b>FUND BALANCES</b>			
Restricted	-	69,237	69,237
Committed	38,661	27	38,688
Assigned	16,944	-	16,944
Unassigned	130,500	401,757	532,257
Total fund balances	<u>186,105</u>	<u>471,021</u>	<u>657,126</u>
Total liabilities and fund balances	<u>\$ 590,000</u>	<u>\$ 482,021</u>	<u>\$ 1,072,021</u>
Total fund balance- total governmental funds			\$ 657,126
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Land and capital assets, net of accumulated depreciation, are not financial resources and, in the funds, and therefore, are not reported in the funds.			
Land and construction in process		\$ 3,546	
Capital assets		2,892,855	
Less: Accumulated depreciation		<u>(1,699,495)</u>	1,196,906
Long-term portion of liabilities are not due and payable in the current period and are not reported in the funds.			
Capital lease obligations		(59,193)	
General obligation bond payable		(390,000)	
Net deferred outflows/(outflows)		(249,014)	
Net pension asset		418,477	
Net pension liabilities		<u>(22,589)</u>	(302,319)
Net position of governmental activities			<u>\$ 1,551,713</u>



**City of Waurika, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2022**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b><u>REVENUES</u></b>			
Sales tax	\$ 458,529	\$ -	\$ 458,529
Use tax	116,866	-	116,866
Franchise tax	35,364	-	35,364
Other taxes	82,902	56,653	139,555
Licenses and permits	11,538	-	11,538
Fines and forfeitures	126,050	-	126,050
Charges for services	12,166	-	12,166
Intergovernmental revenues	174,979	189,350	364,329
Donations	8,977	-	8,977
Other revenues	59,939	29,818	89,757
Proceeds from debt issuance	32,055	-	32,055
Interest	189	65	254
Total revenues	<u>1,119,554</u>	<u>275,886</u>	<u>1,395,440</u>
<b><u>EXPENDITURES</u></b>			
General government:			
General government	191,295	32,664	223,959
Total general government	<u>191,295</u>	<u>32,664</u>	<u>223,959</u>
Public safety and judiciary:			
Police	277,618	-	277,618
Municipal court	21,855	-	21,855
Fire	139,547	-	139,547
Total public safety and judiciary	<u>439,020</u>	<u>-</u>	<u>439,020</u>
Transportation:			
Street	255,507	-	255,507
Total transportation	<u>255,507</u>	<u>-</u>	<u>255,507</u>
Cultural, parks and recreation:			
Library	92,692	-	92,692
Parks	216	-	216
Total cultural, parks and recreation	<u>92,908</u>	<u>-</u>	<u>92,908</u>
Capital outlay	117,103	-	117,103
Debt service			
Principle	18,348	30,000	48,348
Interest expense	2,218	16,029	18,247
Total expenditures	<u>1,116,399</u>	<u>78,693</u>	<u>1,195,092</u>
Excess (deficiency) of revenues over expenditures	<u>3,155</u>	<u>197,193</u>	<u>200,348</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	11,162	26,566	37,728
Transfers out	(28,653)	(8,765)	(37,418)
Total other financing sources and uses	<u>(17,491)</u>	<u>17,801</u>	<u>310</u>
Net change in fund balances	(14,336)	214,994	200,658
Fund balances - beginning	200,441	256,027	456,468
Prior period adjustment	-	-	-
Fund balances - ending	<u>\$ 186,105</u>	<u>\$ 471,021</u>	<u>\$ 657,126</u>

**City of Waurika, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2022**

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Reconciliation of the change in fund balances - total governmental funds  
to the change in net assets of governmental activities:

Net change in fund balances - total governmental funds \$ 200,658

Amounts reported for governmental activities in the Statement of Activities are  
different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital asset purchases	117,103	
Depreciation expense	<u>(177,296)</u>	(60,193)

In the statement of activities, the cost of pension benefits earned net of  
employee contributions are reported as an component of pension expense.  
The fund financial statements report pension contributions as expenditures.

14,834

Proceeds from debt issuance provides current financial resources to governmental funds,  
but issuing debt increases long-term liabilities in the statement of net position.  
Repayment of debt principle is an expenditure in the governmental funds,  
but the repayment reduces long-term liabilities in the statement of net position.

Principle payments on debt	48,348	
Issuance of debt	<u>(32,055)</u>	

Change in Net Assets of Governmental Activities	<u><u>\$ 171,592</u></u>
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**City of Waurika, Oklahoma**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<b>Public Works Authority</b>	<b>Waurika Development Trust Authority</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 630,377	\$ 74,950	\$ 705,327
Investments	750,000	-	750,000
Due from other funds	25,404	300	25,704
Accounts receivable, net	98,656	-	98,656
Note receivable, current	-	47,719	47,719
Other assets	4,641	404	5,045
Total current assets	<u>1,509,078</u>	<u>123,373</u>	<u>1,632,451</u>
Current assets:			
Restricted assets:			
Cash, including time deposits	140,544	-	140,544
Investments	71,593	-	71,593
Total restricted assets	<u>212,137</u>	<u>-</u>	<u>212,137</u>
Noncurrent assets:			
Capital assets (net)	<u>3,010,894</u>	<u>83,960</u>	<u>3,094,854</u>
Total noncurrent assets	<u>3,010,894</u>	<u>83,960</u>	<u>3,094,854</u>
<b>Total assets</b>	<u>\$ 4,732,109</u>	<u>\$ 207,333</u>	<u>\$ 4,939,442</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 74,427	\$ -	\$ 74,427
Payroll liabilities	16,230	-	16,230
Due to other funds	307,081	-	307,081
Accrued interest payable	10,079	-	10,079
Notes payable, current	161,382	-	161,382
Total current liabilities	<u>569,199</u>	<u>-</u>	<u>569,199</u>
Meter deposit liability	126,564	-	126,564
Notes payable, non-current	1,705,378	-	1,705,378
Total noncurrent liabilities	<u>1,831,942</u>	<u>-</u>	<u>1,831,942</u>
<b>Total liabilities</b>	<u>2,401,141</u>	<u>-</u>	<u>2,401,141</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,144,134	83,960	1,228,094
Restricted	85,573	-	85,573
Unrestricted	<u>1,101,261</u>	<u>123,373</u>	<u>1,224,634</u>
<b>Total net position</b>	<u>\$ 2,330,968</u>	<u>\$ 207,333</u>	<u>\$ 2,538,301</u>

**City of Waurika, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2022**

	<b>Public Works Authority</b>	<b>Waurika Development Trust Authority</b>	<b>Total Enterprise Funds</b>
<b><u>Operating revenues:</u></b>			
Charges for services:			
Water charges	\$ 861,940	\$ -	\$ 861,940
Sewer charges	265,914	-	265,914
Sanitation charges	490,389	-	490,389
Golf charges	-	-	-
Utility surcharges	-	-	-
Penalties	37,605	-	37,605
Total charges for services	<u>1,655,848</u>	<u>-</u>	<u>1,655,848</u>
Lease and rental income	1,000	11,513	12,513
Other fees and charges	3,751	-	3,751
Total operating revenues	<u>1,660,599</u>	<u>11,513</u>	<u>1,672,112</u>
<b><u>Operating expenses:</u></b>			
Personal services	307,459	-	307,459
Materials and supplies	101,194	-	101,194
Other services and charges	503,412	3,273	506,685
Depreciation and amortization	284,896	-	284,896
Total operating expenses	<u>1,196,961</u>	<u>3,273</u>	<u>1,200,234</u>
Net operating income	463,638	8,240	471,878
<b><u>Nonoperating revenue (expense):</u></b>			
Investment income	1,147	71	1,218
Gain on sale of assets	-	-	-
Bad debt expense	(26,026)	-	(26,026)
Interest expense	(92,588)	-	(92,588)
Total nonoperating revenue (expense)	<u>(117,467)</u>	<u>71</u>	<u>(117,396)</u>
<b>Net Income before contributions and transfers</b>	346,171	8,311	354,482
Transfers from other funds	-	-	-
Transfers to other funds	<u>(310)</u>	<u>-</u>	<u>(310)</u>
<b>Change in net position</b>	345,861	8,311	354,172
Net position-beginning of year	<u>1,985,107</u>	<u>199,022</u>	<u>2,184,129</u>
Net position-end of year	<u><u>\$ 2,330,968</u></u>	<u><u>\$ 207,333</u></u>	<u><u>\$ 2,538,301</u></u>

City of Waurika, Oklahoma  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2022

	Public Works Authority	Waurika Development Trust Authority	Total Enterprise Funds
<b><u>Cash flows from operating activities:</u></b>			
Receipts from customers	\$ 1,687,477	\$ 38,805	\$ 1,726,282
Payments to suppliers	(603,824)	(3,273)	(607,097)
Payments to employees	(305,945)	-	(305,945)
<b>Net cash provided (used) by operating activities</b>	<b>777,708</b>	<b>35,532</b>	<b>813,240</b>
<b><u>Cash flows from non-capital financing activities:</u></b>			
Transfers from other funds	-	-	-
Transfers to other funds	(310)	-	(310)
<b>Net cash provided (used) by non-capital financing activities</b>	<b>(310)</b>	<b>-</b>	<b>(310)</b>
<b><u>Cash flows from capital and related financing activities:</u></b>			
Purchase of capital assets	(567,602)	-	(567,602)
Sale of capital assets	-	-	-
Principal paid on capital debt	(156,384)	-	(156,384)
Issuance of capital debt	35,326	-	35,326
Interest paid on capital debt	(92,041)	-	(92,041)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(780,701)</b>	<b>-</b>	<b>(780,701)</b>
<b><u>Cash flows from investing activities:</u></b>			
Investment income	1,147	71	1,218
Purchase of investments	(640,518)	-	(640,518)
<b>Net cash provided (used) by investing activities</b>	<b>(639,371)</b>	<b>71</b>	<b>(639,300)</b>
Net increase (decrease) in cash and cash equivalents	(642,674)	35,603	(607,071)
Cash & cash equivalents, beginning of the year	1,413,595	39,347	1,452,942
Cash & cash equivalents, end of the year	\$ 770,921	\$ 74,950	\$ 845,871
Cash, including time deposits	\$ 630,377	\$ 74,950	\$ 705,327
Restricted cash, including time deposits	140,544	-	140,544
Total cash and cash equivalents, end of year	\$ 770,921	\$ 74,950	\$ 845,871
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</u></b>			
Operating income (loss)	\$ 463,638	\$ 8,240	\$ 471,878
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	284,896	-	284,896
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	26,878	27,696	54,574
(Increase) decrease in other assets	-	(404)	(404)
Increase (decrease) in accounts payable	782	-	782
Increase (decrease) in payroll liabilities	1,514	-	1,514
Increase (decrease) in intercompany liabilities	-	-	-
Total adjustments	314,070	27,292	341,362
<b>Net cash provided (used) by operating activities</b>	<b>\$ 777,708</b>	<b>\$ 35,532</b>	<b>\$ 813,240</b>

**City of Waurika, Oklahoma**  
**General Fund**  
**Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2022**

	<b>Budget</b>	<b>Amendments</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance - Favorable (Unfavorable)</b>
<b>REVENUES</b>					
Sales tax	\$ 407,884	\$ 35,000	\$ 442,884	\$ 458,529	\$ 15,645
Franchise tax	31,092	3,500	34,592	35,364	772
Other taxes	148,856	22,500	171,356	199,768	28,412
Licenses and permits	500	8,500	9,000	11,538	2,538
Fines and forfeitures	96,238	28,600	124,838	126,050	1,212
Charges for services	12,000	1,000	13,000	12,166	(834)
Intergovernmental revenues	253,617	19,931	273,548	174,979	(98,569)
Other revenues	10,000	40,000	50,000	68,916	18,916
Interest	250	-	250	189	(61)
Total revenues	960,437	159,031	1,119,468	1,087,499	(31,969)
<b>EXPENDITURES</b>					
<b>General government:</b>					
General government	252,080	37,418	289,498	211,861	77,637
<b>Public safety and judiciary:</b>					
Police	366,509	(11,390)	355,119	331,005	24,114
Municipal Court	26,000	1,200	27,200	21,855	5,345
Fire	133,488	42,413	175,901	180,999	(5,098)
<b>Transportation:</b>					
Street	463,695	(164,645)	299,050	258,004	41,046
<b>Culture and recreation:</b>					
Library	92,587	8,593	101,180	92,692	8,488
Parks	30,000	-	30,000	19,983	10,017
Total expenditures	1,364,359	(86,411)	1,277,948	1,116,399	161,549
Revenue over (under) expenditures	(403,922)	245,442	(158,480)	(28,900)	129,580
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in/(out)	375,000	(164,613)	210,387	(17,491)	(227,878)
Carry forward from prior year	-	-	-	-	-
Net other financing sources (uses)	375,000	(164,613)	210,387	(17,491)	(227,878)
Revenues and other financing sources over (under) expenditures and other uses	(28,922)	80,829	51,907	(46,391)	(98,298)
Fund balance at beginning of year (Non-GAAP budgetary basis)				377,296	
Fund balance at end of year (Non-GAAP budgetary basis)				<u>\$ 330,905</u>	
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>					
Revenue and expense accruals				(144,800)	
Fund balance at end of year (GAAP basis)				<u>\$ 186,105</u>	

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Oklahoma Fire Pension Retirement Plan**

Year Ended June 30, 2022

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
City's portion of the net pension liability (asset)	0.0027%	0.0025%	0.2605%	0.0000%	0.0016%	0.0028%	0.0000%	0.0034%
City's proportionate share of the net pension liability (asset)	\$ 28,065	\$ 26,638	\$ 31,821	\$ -	\$ 17,842	\$ 29,288	\$ -	\$ 22,589
City's covered-employee payroll	\$ 39,470	\$ 37,204	\$ 42,159	\$ -	\$ -	\$ -	\$ -	\$ -
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	71%	72%	75%	0%	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	78.25%	97.49%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%

\* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

**SCHEDULE OF CITY CONTRIBUTIONS**

**Oklahoma Fire Pension Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
Contractually required contribution	\$ 1,020	\$ 960	\$ 1,020	\$ 860	\$ 860	\$ 1,200	\$ -	\$ 1,560
Contributions in relation to the contractually required contribution	(1,020)	(960)	(1,020)	(860)	(860)	(1,200)	-	(1,560)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 39,470	\$ 37,204	\$ 42,159	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	2.58%	2.58%	2.42%	0.00%	0.00%	0.00%	0.00%	0.00%

\*\* Only the current fiscal year is presented because 10-year data is not yet available

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Oklahoma Police Pension Retirement Plan**  
Year Ended June 30, 2022

	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
City's portion of the net pension liability (asset)	0.0002%	0.0108%	0.0190%	0.0206%	0.0926%	0.0265%
City's proportionate share of the net pension liability (asset)	\$ 36,580	\$ 831	\$ (9,073)	\$ (1,316)	\$ 33,529	\$ (127,124)
City's covered-employee payroll	\$ 111,462	\$ 60,332	\$ 67,229	\$ 96,392	\$ 95,576	\$ 111,307
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33%	1%	-13%	-1%	35%	-114%
Plan fiduciary net position as a percentage of the total pension liability	99.98%	100.00%	100.01%	100.00%	99.98%	100.08%

\* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

**SCHEDULE OF CITY CONTRIBUTIONS**  
**Oklahoma Police Pension Retirement Plan**

	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
Contractually required contribution	\$ 9,157	\$ 7,843	\$ 8,740	\$ 12,531	\$ 12,425	\$ 14,470
Contributions in relation to the contractually required contribution	<u>(9,157)</u>	<u>(7,843)</u>	<u>(8,740)</u>	<u>(12,531)</u>	<u>(12,425)</u>	<u>(14,470)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 111,462	\$ 60,332	\$ 67,229	\$ 96,392	\$ 95,576	\$ 111,307
Contributions as a percentage of covered-employee payroll	8.22%	13.00%	13.00%	13.00%	13.00%	13.00%

\*\* Only the current fiscal year is presented because 10-year data is not yet available



**Schedules of Required Supplementary Information**

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**  
**Oklahoma Municipal Retirement Plan**  
Year Ended June 30, 2022

	<b>2015*</b>	<b>2016*</b>	<b>2017*</b>	<b>2018*</b>	<b>2019*</b>	<b>2020*</b>	<b>2021*</b>	<b>2022*</b>
<b>Total pension liability</b>								
Service cost	\$ 42,741	\$ 40,407	\$ 46,850	\$ 34,316	\$ 42,088	\$ 36,191	\$ 42,752	\$ 37,858
Interest	60,081	59,862	66,488	69,504	70,426	74,554	76,402	80,517
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	40,480	(13,588)	(16,858)	14,863	(31,551)	2,607	(37,084)
Changes in assumptions	-	-	-	23,162	-	11,901	-	-
Benefit payments, including refunds of employee contributions	(71,663)	(53,795)	(56,786)	(65,012)	(70,932)	(73,798)	(58,834)	(75,270)
<b>Net change in total pension liability</b>	<b>\$ 31,159</b>	<b>\$ 86,954</b>	<b>\$ 42,964</b>	<b>\$ 45,112</b>	<b>\$ 56,445</b>	<b>\$ 17,297</b>	<b>\$ 62,927</b>	<b>\$ 6,021</b>
<b>Total pension liability - beginning</b>	<b>767,654</b>	<b>798,813</b>	<b>885,767</b>	<b>928,731</b>	<b>973,843</b>	<b>1,030,288</b>	<b>1,047,585</b>	<b>1,110,512</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 798,813</b>	<b>\$ 885,767</b>	<b>\$ 928,731</b>	<b>\$ 973,843</b>	<b>\$ 1,030,288</b>	<b>\$ 1,047,585</b>	<b>\$ 1,110,512</b>	<b>\$ 1,116,533</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	36,226	30,618	18,998	21,285	19,257	24,051	25,999	24,042
Contributions - employee	16,502	15,016	11,932	12,803	12,036	12,642	12,636	12,771
Net investment income	138,619	26,498	8,188	116,777	77,022	73,302	45,424	311,015
Benefit payments, including refunds of employee contributions	(71,662)	(53,795)	(56,786)	(65,012)	(70,932)	(73,798)	(58,834)	(75,270)
Administrative expense	(2,053)	(1,990)	(1,905)	(2,054)	(2,152)	(2,215)	(2,309)	(2,306)
Other	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>117,632</b>	<b>16,347</b>	<b>(19,573)</b>	<b>83,799</b>	<b>35,231</b>	<b>33,982</b>	<b>22,916</b>	<b>270,252</b>
<b>Plan fiduciary net position - beginning</b>	<b>847,301</b>	<b>964,933</b>	<b>981,280</b>	<b>961,707</b>	<b>1,045,506</b>	<b>1,080,737</b>	<b>1,114,719</b>	<b>1,137,635</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 964,933</b>	<b>\$ 981,280</b>	<b>\$ 961,707</b>	<b>\$ 1,045,506</b>	<b>\$ 1,080,737</b>	<b>\$ 1,114,719</b>	<b>\$ 1,137,635</b>	<b>\$ 1,407,887</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ (166,120)</b>	<b>\$ (95,513)</b>	<b>\$ (32,976)</b>	<b>\$ (71,663)</b>	<b>\$ (50,449)</b>	<b>\$ (67,134)</b>	<b>\$ (27,123)</b>	<b>\$ (291,354)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>120.80%</b>	<b>110.78%</b>	<b>103.55%</b>	<b>107.36%</b>	<b>104.90%</b>	<b>106.41%</b>	<b>102.44%</b>	<b>126.09%</b>
<b>Covered-employee payroll</b>	<b>\$ 337,975</b>	<b>\$ 377,523</b>	<b>\$ 274,102</b>	<b>\$ 315,948</b>	<b>\$ 268,825</b>	<b>\$ 336,006</b>	<b>\$ 293,767</b>	<b>\$ 223,164</b>
<b>City's net pension liability as a percentage of covered-employee payroll</b>	<b>-49.15%</b>	<b>-25.30%</b>	<b>-12.03%</b>	<b>-22.68%</b>	<b>-18.77%</b>	<b>-19.98%</b>	<b>-9.23%</b>	<b>-130.56%</b>

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Oklahoma Municipal Retirement Plan**  
Year Ended June 30, 2022

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
City's portion of the net pension liability (asset)	0.0409%	0.0340%	0.1970%	0.2141%	2.5913%	2.6728%	2.7278%	3.3758%
City's proportionate share of the net pension liability (asset)	\$ (166,120)	\$ (95,513)	\$ (32,976)	\$ (71,663)	\$ (50,449)	\$ (67,134)	\$ (27,123)	\$ (291,354)
City's covered-employee payroll	\$ 337,975	\$ 377,523	\$ 274,102	\$ 315,948	\$ 268,825	\$ 336,006	\$ 293,767	\$ 223,164
City's proportionate share of the net pension liability (asset) as a percentage of its covered-empl	-49.15%	-25.30%	-12.03%	-22.68%	-18.77%	-19.98%	-9.23%	-130.56%
Plan fiduciary net position as a percentage of the total pension liability	119.53%	109.73%	103.43%	106.85%	104.67%	106.02%	102.38%	120.69%

\* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

**SCHEDULE OF CITY CONTRIBUTIONS**  
**Oklahoma Municipal Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
Actuarially determined contribution	\$ 36,226	\$ 30,618	\$ 30,930	\$ 32,354	\$ 23,275	\$ 26,912	\$ 24,863	\$ 30,622
Contributions in relation to the actuarially determined contribution	<u>(36,226)</u>	<u>(30,618)</u>	<u>(30,930)</u>	<u>(32,354)</u>	<u>(23,275)</u>	<u>(26,912)</u>	<u>(24,863)</u>	<u>(30,622)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 337,975	\$ 377,523	\$ 274,102	\$ 315,948	\$ 268,825	\$ 336,006	\$ 293,767	\$ 223,164
Contributions as a percentage of covered-employee payroll	10.72%	8.11%	11.28%	10.24%	8.66%	8.01%	8.46%	13.72%



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Council  
City of Waurika, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Waurika, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Waurika, Oklahoma's basic financial statements and have issued our report thereon dated February 13, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Waurika, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Waurika, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Waurika, Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Waurika, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Foresight Advisory & Consulting, PLLC*

Foresight Advisory & Consulting, PLLC

Oklahoma City, Oklahoma  
February 13, 2023